

[7 August, 2001]

RAJYA SABHA

States and Union Territories have been asked by the Ministry of Human Resource Development to create a special cell in the police headquarters for effective enforcement of copyright laws as also to identify nodal officers in their administration to facilitate proper co-ordination between industry organizations and the enforcement agencies.

Ban on Import of SSI Items

†1718. SHRIMATI SAROJ DUBEY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have imposed ban on the import of items falling under the gamut of small scale industries;

(b) if so, the details thereof; and

(c) if not, the steps to be taken by Government to bring the small scale industries out of this crisis?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) to (c) India has removed all quantitative restrictions being maintained earlier on balance of payment grounds as part of economic liberalization policy under implementation since 1991 and as part of international commitments. There is therefore no ban on import of any items reserved for small scale industries.

However, Government has put in place several measures to help SSIs become globally competitive. These include focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalization. A comprehensive policy package for the development of SSIs had been announced on 30th August, 2000. The policy package will enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loan up to Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure.

Private participation in defence production

1719. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government have decided to dereserve defence production and open it to the private participation through licensing;

†Original notice of the question was received in Hindi.

(b) if so, the details thereof and the reasons therefor;

(c) whether it is a fact that there has been opposition to this move from workers' Unions of the various Defence Production units in the Public Sector and also from some Defence analysis experts including the Institute of Defence Studies and Analysis (IDSA); and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Yes, Sir. Government have opened the defence industry sector up to 100% for private sector participation with FDI permissible up to 26%, both subject to licensing and security requirements. The decision is aimed at harnessing capital, knowledge and technology available in the private sector to supplement Government's effort towards attaining self reliance in this highly sensitive sector.

(c) Three recognised Federations and their affiliated Trade Unions of Defence Civilian Employees in Ordnance Factories have expressed their reservations on this decision. The decision for private sector participation in defence industry sector was based on the recommendations of the Task Force on Management of Defence, which is also approved by the Group of Ministers on National Security, and the Government.

(d) Government have entered into a dialogue with the three Federations to allay their apprehensions from staff and security angle.

Impact of privatisation of Defence Sector on national security

1720. **DR. Y. RADHAKRISHNA MURTY:**
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether Government have decided to open up defence production sector to private industries;

(b) if so, whether criticism have been made on the announcement of such a decision by various political parties and others;

(c) if so, the reaction of the Government thereto;

(d) whether the opening of Defence production sector to private sector